

ORDINANCE O-4728

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON, PROVIDING FOR THE FORM OF THE BALLOT PROPOSITION AND SPECIFYING CERTAIN OTHER DETAILS CONCERNING SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY AT A SPECIAL ELECTION TO BE HELD THEREIN ON NOVEMBER 3, 2020, OF A PROPOSITION FOR THE ISSUANCE OF ITS GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$56,000,000, OR SO MUCH THEREOF AS MAY BE ISSUED UNDER THE LAWS GOVERNING THE INDEBTEDNESS OF CITIES FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE CONSTRUCTION OF A NEW FIRE STATION, MODERNIZATION AND RENOVATIONS TO EXISTING FIRE STATIONS, AND OTHER PUBLIC HEALTH AND SAFETY IMPROVEMENTS, AND LEVY EXCESS PROPERTY TAXES TO PAY THE BONDS.

1 WHEREAS, in 2011, the City Council (the "Council") of the City
2 of Kirkland (the "City") engaged the services of Emergency Services
3 Consulting International ("ESCI") to conduct an organizational review of
4 the City Fire Department; and
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6 WHEREAS, since 2012, Fire Department staff has worked with
7 other City departments and the City Manager's Office to implement
8 certain ESCI recommendations, including through the budget process;
9 and
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11 WHEREAS, the Council completed a Fire Strategic Plan in 2012
12 to identify needed investments in staffing, equipment and technology to
13 provide for better response times for fire and Emergency Medical
14 Services ("EMS"); and
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16 WHEREAS, on February 21, 2017, the Council approved
17 Resolution R-5239 adopting the City's 2017-2018 Work Program to
18 "explore potential ballot measures for fire station modernization and
19 public safety operations to further the goals of Public Safety,
20 Dependable Infrastructure, and Financial Stability"; and
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22 WHEREAS, on December 12, 2017, the Council adopted
23 Resolution R-5290, revising the 2017-2018 City Work Program to defer
24 exploration of a fire facilities and operations ballot measure to at least
25 2020 due to public concerns about the cumulative financial impact of
26 property tax increases due to state and regional legislation; and

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28 WHEREAS, the Council subsequently implemented a two-phased
29 approach to addressing public safety needs; and

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31 WHEREAS, phase one included a sales and use tax for enhanced
32 police and public safety services, which was approved by the voters at
33 an election held in November 2018, and phase two includes a bond
34 and/or levy lid lift for fire station seismic renovation, capacity expansion,
35 and additional firefighter/EMT staffing; and

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37 WHEREAS, on February 19, 2019, the Council adopted the 2019-
38 2020 City Work Program which ranked "exploring a potential ballot
39 measure in 2020 to fund Fire Station modernization and enhanced
40 operations to further the goal of Public Safety" as its number one
41 priority; and

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43 WHEREAS, the City has and expects to continue to experience
44 unprecedented growth and development, with new types of commercial
45 and residential structures that need fire/EMS services; and

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47 WHEREAS, providing fire/EMS services that match this economic
48 growth and redevelopment are challenged by the expiration of the
49 annexation sales tax credit in 2021, resulting in the loss of nearly \$4
50 million annually from the City's general fund; and

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52 WHEREAS, to sustainably fund these potential fire/EMS
53 investments, the City must either identify new revenues or significantly
54 reprioritize existing general fund programs such as parks maintenance
55 and street maintenance that also rank as high priorities with City
56 residents; and

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58 WHEREAS, in 2019, the Council convened the Community Safety
59 Advisory Group ("ComSAG") to review options to improve response
60 times, keep Fire/EMS stations seismically sound, and improve firefighter
61 health and safety; and

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63 WHEREAS, in February 2020, ComSAG recommended building a
64 new fire station 27 in Totem Lake, renovating fire station 21 in Forbes
65 Creek, station 22 in Houghton, station 26 in North Rose Hill, and
66 constructing a new training building at the site of new station 24 in
67 North Juanita; and

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69 WHEREAS, since the ComSAG completed their recommendation
70 in February 2020, the City proclaimed an emergency to combat the
71 COVID-19 pandemic and has been grappling with the escalating social
72 and economic impact of the virus and related public health and safety
73 orders on the community; and

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75 WHEREAS, the capital and operating elements in the proposed
76 ComSAG recommendation would have significantly improved the City's
77 response to COVID-19, and the budget challenges created by the
78 economic impacts of the outbreak curtails the City's ability to fund
79 any of these additional public safety investments without a voter
80 approved revenue source; and

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82 WHEREAS, at their May 19, 2020 Council meeting, the Council
83 directed staff to reprioritize the capital and operating elements funded
84 within the ballot measure(s) to be no more than the ComSAG's
85 recommendation of \$0.225 per \$1,000 of assessed valuation; and

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87 WHEREAS, in order to provide the level of service identified by
88 the ComSAG, and refined by Council, the training building at new station
89 24 was removed from the elements to be funded by the proposed capital
90 bond; and

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92 WHEREAS, to finance such capital costs, it is deemed necessary
93 and advisable by the Council that the City issue and sell one or more
94 series of unlimited tax general obligation bonds in the principal amount
95 of not to exceed \$56,000,000 (the "Bonds"); and

96
97 WHEREAS, the Constitution and laws of the State of Washington
98 provide that the question of whether such Bonds may be issued and
99 sold for such purposes and taxes levied to pay such Bonds must be
100 submitted to the qualified electors of the City for their ratification or
101 rejection;

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103 NOW, THEREFORE, the City Council of the City of Kirkland does
104 ordain as follows:

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106 Section 1. Findings. The Council hereby finds that the best
107 interests of the residents of the City require the City to construct,
108 develop, equip, upgrade, acquire, and improve its public health and
109 safety facilities, including but not limited to the following projects
110 (together, the "Projects"):

- 111
- 112 • Construct and equip a new fire station and related
113 facilities; and
- 114 • Renovate, improve, and equip existing fire stations and
115 related facilities, including but not limited to Fire Stations
116 22, 21, and 26.

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The Projects shall include the acquisition of real property as necessary to locate such facilities. The City shall complete the Projects at the time, in the order and in the manner deemed most necessary and advisable by the Council. Costs of the Projects, which are estimated to be more than \$56,000,000, will be paid from proceeds of the Bonds authorized herein and other available funds of the City.

The cost of all necessary appraisals, negotiation, property acquisition, closing, architectural, engineering, project management, financial, legal and other consulting services, inspection and testing, demolition, relocation, administrative and relocation expenses, permitting, mitigation, construction, and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Projects. Such Projects shall be complete with all necessary real property, equipment and appurtenances.

The Council shall determine the exact specifications for the Projects, and the components thereof, as well as the timing, order and manner of completing the components of the Projects. The Council may alter, make substitutions to, and amend such components as it determines are in the best interests of the City and consistent with the general descriptions provided herein. The Council shall determine the application of moneys available for the various Projects so as to accomplish, as nearly as may be, all of the Projects.

If the Council shall determine that it has become impractical to design, construct, improve, obtain permits, renovate, acquire, develop, or equip all or any component of the Projects by reason of changed conditions, incompatible development, costs substantially in excess of the amount of Bond proceeds or tax levies estimated to be available, or acquisition by or dependence on a superior governmental authority, the City shall not be required to provide such component or components. If all of the Projects have been constructed or acquired or duly provided for, or found to be impractical, the City may apply remaining proceeds of the Bonds authorized herein (including earnings thereon) or any portion thereof to other public safety capital purposes or to the redemption of the Bonds as the Council, in its discretion, shall determine.

In the event that the proceeds from the sale of the Bonds, plus any other money of the City legally available for such purpose, are insufficient to accomplish all of the Projects, the City shall use the available funds for paying the cost of those portions of the Projects deemed by the Council most necessary and in the best interest of the City.

165 Section 2. Authorization of Bonds. For the purpose of providing
166 all or a portion of the funds necessary to finance the costs of the
167 Projects, together with incidental costs and costs of issuance of the
168 Bonds, the City shall issue and sell its unlimited tax general obligation
169 bonds in the aggregate principal amount of not to exceed \$56,000,000
170 (the "Bonds"). The Bonds shall be issued in an amount not exceeding
171 the amount approved by the electors of the City and not exceeding the
172 amount permitted by the Constitution and laws of the State of
173 Washington. The balance, if any, of the cost of the Projects shall be
174 paid out of any other legally available funds. The Bond proceeds (and
175 earnings thereon) shall be used to finance the costs of the Projects,
176 together with incidental costs and costs related to the sale and issuance
177 of the Bonds, and shall not be used for the replacement of equipment
178 or for a purpose other than a capital purpose.

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180 Section 3. Details of the Bonds. The Bonds provided for in
181 Section 2 hereof shall be issued in such amounts and at such time or
182 times as deemed necessary and advisable by the Council and as
183 permitted by law. The Bonds may be issued in one or more series and
184 shall bear interest payable at a rate or rates authorized by the Council.
185 The Bonds shall mature in such amounts and at such times within a
186 maximum term of 30 years from date of issue of a series, all as
187 authorized by the Council and as provided by law. The Bonds shall be
188 unlimited tax general obligations of the City and, unless paid from other
189 sources, both principal of and interest on the Bonds shall be payable out
190 of annual tax levies to be made upon all the taxable property within the
191 City without limitation as to rate or amount and in excess of any
192 constitutional or statutory tax limitations. The exact date, form, terms,
193 maturities, covenants and manner of sale of the Bonds shall be as
194 hereafter fixed by ordinance or ordinances of the Council.

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196 In anticipation of the issuance of the Bonds, the City may issue
197 short-term obligations as otherwise authorized by chapter 39.50 RCW.
198 Such obligations may be paid or refunded with proceeds of the Bonds.
199 The proceeds of the Bonds may also be used to reimburse the City for
200 expenditures previously made for such Projects.

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202 Section 4. Bond Election. It is hereby found that the best
203 interests of the inhabitants of the City require the submission to the
204 qualified electors of the City of a proposition authorizing the City to issue
205 Bonds for the purposes of funding the Projects, at an election to be held
206 on November 3, 2020. The King County Director of Records and
207 Elections (the "Director"), as *ex officio* supervisor of elections in King
208 County, Washington, is hereby requested to assume jurisdiction of and
209 to call and conduct the election to be held within the City and to submit
210 to the qualified electors of the City the proposition hereinafter set forth.
211 Such election shall be conducted by mail.

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The City Clerk is hereby authorized and directed to certify the proposition to the Director in substantially the following form:

CITY OF KIRKLAND PROPOSITION NO. 1
GENERAL OBLIGATION BONDS
FIRE STATION AND PUBLIC SAFETY IMPROVEMENTS

The City Council of the City of Kirkland adopted Ordinance 4728 concerning a proposition for fire and EMS. This proposition authorizes the City to construct and equip a fire station; renovate and modernize existing fire stations; improve firefighter/EMT health and safety; improve response times throughout the City; and issue up to \$56,000,000 of general obligation bonds maturing within a maximum of 30 years to finance such projects; and levy annual excess property taxes to repay the bonds, as provided in Ordinance 4728.

Should this proposition be approved:

YES?

NO?

For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the City Council hereby designates: (a) the City Clerk and (b) the City Attorney, as the individuals to whom such notice should be provided. The City Attorney and City Clerk are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Director.

The City Clerk is authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's or clerical errors, references, numbering, section/subsection numbers, and any reference thereto.

The proper City officials are authorized to perform such duties as are necessary or required by law to submit the question of whether the Bonds shall be issued, as provided in this ordinance, to the electors at the November 3, 2020 election.

Section 5. Voters' Pamphlet. The preparation and distribution of a local voters' pamphlet providing information on the foregoing ballot measure is hereby authorized. The pamphlet shall include arguments

259 advocating approval and disapproval of the ballot measure. In
 260 accordance with RCW 29A.32.280, the arguments advocating approval
 261 and rejection of the ballot measure shall be prepared by committees
 262 appointed by the City Council by resolution not later than forty-five days
 263 before the publication of the pamphlet. Each committee shall be
 264 composed of not more than three persons; however, a committee may
 265 seek the advice of any person or persons. The committee advocating
 266 approval shall be composed of persons known to favor the ballot
 267 measure, and the committee advocating rejection shall be composed of
 268 persons known to oppose the ballot measure.

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 270 Section 6. Ratification. Any act consistent with the authority
 271 and prior to the effective date of this ordinance is hereby ratified and
 272 confirmed.

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 274 Section 7. Effective Date. This ordinance shall be in full force
 275 and effect five days from and after its passage by the Kirkland City
 276 Council and publication of a summary of this ordinance in accordance
 277 with Kirkland Municipal Code 1.08.017.

278
 279 Passed by majority vote of the Kirkland City Council in open
 280 meeting this ___ day of _____, 2020.

281
 282 Signed in authentication thereof this ___ day of _____,
 283 2020.

 Penny Sweet, Mayor

Attest:

 Kathi Anderson, City Clerk

Approved as to Form:

 Pacifica Law Group LLP, Bond Counsel

CERTIFICATE

I, the undersigned, City Clerk of the City of Kirkland, Washington, and keeper of the records of the City Council, DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. 4728 of the City (the "Ordinance"), as finally adopted at a regular meeting of the City Council held on _____, 2020, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that quorum of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the adoption of said Ordinance; that all other requirements and proceedings incident to the proper adoption or passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

Dated this ____ day of _____, 2020.

CITY OF KIRKLAND, WASHINGTON

Kathi Anderson, City Clerk